

INDIANA EDUCATIONAL FACILITIES AUTHORITY

ANNUAL REPORT

JUNE 30, 2005

On May 15, 2005, the Indiana Health Facility Financing Authority combined with the Indiana Educational Facilities Authority to become the Indiana Health and Educational Facility Financing Authority. Each entity will have an independent audit or examination as of June 30, 2005, but thereafter will be covered under the Indiana Health and Educational Facility Financing Authority audit.

Current Address:

Indiana Health and Educational
Facility Financing Authority
One North Capitol, Suite 900
Indianapolis, IN 46204
Office: (317) 233-9799
Fax: (317) 232-6786
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Previous Address

Indiana Educational Facilities Authority
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CONTENTS

<u>Description</u>	<u>Page</u>
The Authority.....	1
Board Members, Authority Staff, and Legal Counsel.....	2
Summary of Bond Issues as of June 30, 2005.....	3
State Board of Accounts Examination Report of Authority July 1, 2001 to June 30, 2005.....	APPENDIX

THE AUTHORITY

The Indiana Educational Facilities Authority (the “Authority”), which was created in 1979 by the Indiana General Assembly (IC 20-12-63), is a body corporate and politic (not a state agency, but a separate instrumentality of the state exercising essentially public functions) that assists, primarily through the issuance of tax-exempt revenue bonds, private nonprofit educational institutions in financing or refinancing eligible facilities. The tax-exempt status of the Authority’s bonds provides participating institutions with substantially lower interest costs and a longer repayment period (up to 40 years) when compared to conventional taxable financing.

The issued bonds do not in any way represent a debt or liability of the state of Indiana or the Authority. Neither entity is, in any event, liable for the payment of the principal of or interest on any bonds of the Authority or for the performance of any pledge, mortgage, obligation or agreement of any kind undertaken by the Authority. The bonds of the Authority are payable solely from revenues, rentals and other funds of the benefiting institution for whom the bonds are issued. Each bond issue of the Authority is secured by a separate trust indenture and is not secured on a parity with one another.

On May 15, 2005, the Indiana Health Facility Financing Authority combined with the Authority to become the Indiana Health and Educational Facility Financing Authority.

AUTHORITY MEMBERS, AUTHORITY STAFF, AND LEGAL COUNSEL

Authority Members

The legislative statute provides that the Authority will consist of seven members (appointed by the Governor) who reside within the state and serve with no compensation. One of the members will serve as chairman. The present members are:

Dr. Philip J. Faccenda, Esq. *Chairman.* He was first appointed in 1979. His current term expires on June 30, 2005. He has retired as General Counsel for the University of Notre Dame.

Mr. Timothy C. Dusing, *Vice Chairman.* He was first appointed in 1992. His current term expired on June 30, 2004.* He is Vice President of Municipal Trading & Underwriting at City Securities Corp.

Mr. Michael Barth, Jr., *Member.* He was first appointed in 1979. His current term expired on June 30, 2004.* He is the CEO of Barth Electric Co.

Mr. Thomas G. Neff, *Member.* He was first appointed in 1993. His current term expired on June 30, 2003.* He is Vice President of Schenkel Schultz.

Mr. Keith Gambrel, *Member.* He was first appointed in 1996. His current term expired on June 30, 2001.* He is a partner at Katz Sapper & Miller.

Mr. Brian J. Touhy, Esq., *Member.* He was first appointed in 1996. His current term expired on June 30, 2002.* He is an Attorney at Stark Doniger & Smith.

Mr. L. Richard Gohman, Esq., *Member.* He was appointed in 2000. His current term expired on June 30, 2004.* He is an attorney at Hall Render Killian Heath & Lyman PC.

*Directors whose terms expire continue on the Board until reappointed or replaced.

Authority Staff

Dr. Louis C. Gatto, *Executive Director*

Dr. Robert E. Martin, *Assistant Executive Director*

Mrs. Linda J. Meador, *Administrative Assistant*

Legal Counsel

Mr. Todd W. Ponder, Esq., *Ice Miller, Legal & Business Advisors*

SUMMARY OF BOND ISSUES AS OF JUNE 30, 2005

From July 1, 2004, through June 30, 2005, the Authority sold six bond issues totaling \$116,825,000. The institutions of higher education borrowing the proceeds were:

<u>College/University</u>	<u>Amount</u>
Butler University	\$ 56,300,000
Earlham College (2 issues)	17,025,000
Rose-Hulman Institute of Technology	16,905,000
Saint Joseph's College	16,300,000
University of Indianapolis	10,295,000
	<u>\$116,825,000</u>

Since its inception, the Authority has sold bond issues in the amounts and for the borrowers as shown below.

<u>Amount of Original Bond Issue by Institution</u>	<u>Location</u>	<u>Date of Issue</u>	<u>Balance as of 6/30/05</u>
<u>Anderson University</u>	Anderson		
\$ 900,000.00		June-83	\$ -
7,420,000.00		October-88	-
595,798.58		September-91	-
<u>Bethel College</u>	Mishawaka		
\$ 4,500,000.00		May-97	\$ -
4,000,000.00		July-98	-
7,040,000.00		September-02	6,370,000.00
6,375,000.00		February-04	6,220,000.00
<u>Butler University</u>	Indianapolis		
\$ 3,500,000.00		June-83	\$ -
3,600,000.00		August-88	-
23,585,000.00		April-88	-
2,400,000.00		July-91	-
39,536,264.00		May-92	-
5,945,000.00		August-96	-

<u>Amount of Original Bond Issue by Institution</u>	<u>Location</u>	<u>Date of Issue</u>	<u>Balance as of 6/30/05</u>
8,978,040.00		December-96	\$ 647,667.09
6,675,000.00		January-98	-
52,999,933.80		November-01	44,969,933.80
56,300,000.00		October-04	56,300,000.00
<u>DePauw University</u>	Greencastle		
\$ 7,420,000.00		September-80	\$ -
4,590,000.00		June-88	-
10,000,000.00		October-89	-
17,740,000.00		May-93	-
12,000,000.00		July-96	-
14,440,000.00		February-99	14,440,000.00
50,000,000.00		February-02	50,000,000.00
10,500,000.00		April-03	10,500,000.00
<u>Earlham College</u>	Richmond		
\$ 350,000.00		May-88	\$ -
3,600,000.00		June-95	-
11,000,000.00		August-98	7,300,000.00
9,000,000.00		August-04	9,000,000.00
8,025,000.00		August-04	8,025,000.00
<u>Franklin College</u>	Franklin		
\$ 4,000,000.00		July-93	\$ -
8,000,000.00		October-99	-
15,000,000.00		December-03	12,400,000.00
<u>Hanover College</u>	Hanover		
\$ 20,000,000.00		July-98	\$ -
8,740,000.00		March-04	8,325,000.00
8,630,000.00		April-04	8,160,000.00

<u>Amount of Original Bond Issue by Institution</u>	<u>Location</u>	<u>Date of Issue</u>	<u>Balance as of 6/30/05</u>
<u>Indiana Wesleyan University</u>	Marion		
\$ 399,850.20		February-91	\$ -
10,000,000.00		December-93	2,800,000.00
5,000,000.00		December-95	3,300,000.00
13,000,000.00		April-98	12,700,000.00
10,000,000.00		March-99	9,700,000.00
<u>Manchester College</u>	North Manchester		
\$ 1,700,000.00		December-80	\$ -
8,500,000.00		July-92	-
7,455,000.00		April-06	6,815,000.00
<u>Marian College</u>	Indianapolis		
\$ 225,000.00		June-84	\$ -
182,000.00		April-85	-
1,300,000.00		August-89	-
7,675,000.00		June-97	5,770,000.00
6,700,000.00		May-03	6,460,000.00
<u>Martin University</u>	Indianapolis		
\$ 3,500,000.00		August-01	\$ 3,370,000.00
<u>Rose-Hulman Institute of Technology</u>	Terre Haute		
\$ 10,885,000.00		July-85	\$ -
4,030,000.00		September-92	-
13,000,000.00		May-95	685,000.00
12,900,000.00		June-96	1,415,000.00
10,865,000.00		June-98	10,865,000.00
6,500,000.00		May-99	6,210,000.00
14,800,000.00		June-03	14,800,000.00

<u>Amount of Original Bond Issue by Institution</u>	<u>Location</u>	<u>Date of Issue</u>	<u>Balance as of 6/30/05</u>
16,905,000.00		December-04	16,775,000.00
 <u>Saint Joseph's College</u>	 Renssalaer		
\$ 5,970,000.00		August-95	\$ -
11,860,000.00		October-99	-
16,300,000.00		September-04	16,300,000.00
 <u>Saint Mary-of-the-Woods College</u>	 Saint Mary-of-the-Woods		
\$ 5,000,000.00		August-96	\$ 4,600,000.00
2,000,000.00		June-01	-
3,000,000.00		April-04	3,000,000.00
 <u>Saint Mary's College</u>	 Notre Dame		
\$ 5,500,000.00		September-80	\$ -
7,000,000.00		December-85	-
10,000,000.00		June-88	-
13,025,000.00		June-93	-
22,875,000.00		June-98	22,875,000.00
 <u>Tri-State University</u>	 Angola		
\$ 3,200,000.00		December-87	\$ -
3,150,000.00		November-90	-
 <u>University of Evansville</u>	 Evansville		
\$ 5,000,000.00		March-84	\$ -
2,500,000.00		April-85	-
8,000,000.00		May-90	-
3,420,000.00		June-93	2,455,000.00
17,120,000.00		February-96	9,505,000.00
8,190,000.00		January-00	7,570,000.00

<u>Amount of Original Bond Issue by Institution</u>	<u>Location</u>	<u>Date of Issue</u>	<u>Balance as of 6/30/05</u>
7,140,000.00		February-01	6,670,000.00
<u>University of Indianapolis</u>	Indianapolis		
\$ 4,000,000.00		June-83	\$ -
2,325,000.00		July-88	-
4,500,000.00		October-92	-
12,000,000.00		July-99	12,000,000.00
10,000,000.00		January-01	10,000,000.00
10,295,000.00		November-04	10,295,000.00
<u>University of Notre Dame</u>	Notre Dame		
\$ 10,480,000.00		March-90	\$ -
9,400,000.00		November-92	-
53,000,000.00		December-94	-
26,500,000.00		August-95	26,500,000.00
23,645,000.00		November-97	22,830,000.00
<u>Valparaiso University</u>	Valparaiso		
\$ 4,700,000.00		February-84	\$ -
4,200,000.00		June-85	-
4,805,000.00		December-88	-
6,800,000.00		January-91	-
25,000,000.00		September-93	-
6,000,000.00		March-95	-
14,990,000.00		January-99	12,750,000.00
1,914,370.00		January-03	1,546,221.85
15,215,000.00		July-03	14,510,000.00
<u>Wabash College</u>	Crawfordsville		
\$ 3,000,000.00		December-92	\$ -
1,350,000.00		August-94	-
10,000,000.00		November-98	-

<u>Amount of Original Bond Issue by Institution</u>	<u>Location</u>	<u>Date of Issue</u>	<u>Balance as of 6/30/05</u>
20,000,000.00		December-99	-
15,000,000.00		May-00	-
20,000,000.00		August-00	-
35,295,000.00		May-01	31,345,000.00
10,000,000.00		March-02	-
17,500,000.00		March-03	16,870,000.00
Total Outstanding as of 6/30/05			\$ 575,943,822.74
Total Amount of Bonds Issued as of 6/30/05			\$ 1,165,071,256.58

APPENDIX

**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT
OF
INDIANA EDUCATIONAL FACILITIES AUTHORITY

July 1, 2001 to June 30, 2005




Signature Not Verified

Indiana State Board of Accounts

Digitally signed by Indiana
State Board of Accounts
Date: 2005.10.20 14:43:59 Z
Reason: Document is
Certified

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedule of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedule	5-6
Examination Results and Comments:	
Final Report.....	7
No Participation in Deferred Compensation Plan	7
Additional Payroll	7
Accounts Receivable - Assessments.....	8
No Participation in the State Retirement Plans.....	8
Annual Return - Profit Sharing Plan.....	8-9
Personal Property Tax Exemption	9
Exit Conference.....	10
Official Response	11-12

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director, Indiana Health and Educational Facility Financing Authority	Dr. Louis C. Gatto Daniel R. Kramer	07-01-01 to 05-14-05 05-15-05 to 06-30-06
Chairman	Dr. Phillip J. Faccenda	07-01-01 to 05-14-05



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE INDIANA EDUCATIONAL FACILITIES AUTHORITY

We have examined the schedule of receipts, disbursements, and cash and investment balances of Indiana Educational Facilities Authority (Authority), for the period of July 1, 2001, to June 30, 2005. The Authority's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Authority for the years ended June 30, 2002, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 18, 2005

INDIANA EDUCATIONAL FACILITIES AUTHORITY
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
As Of And For The Years Ended June 30, 2002, 2003, 2004, And 2005

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Cash and investments, July 1	\$ 651,506	\$ 639,671	\$ 688,760	\$ 748,732
Receipts:				
Assessment Fees	200,159	286,050	262,258	267,597
ICHE Contractual Services	30,000	30,000	30,000	-
"Realizing the Dream" Program	3,000	3,000	3,000	5,000
Interest earned	22,668	11,502	10,714	14,055
Miscellaneous	-	-	79	5,454
Total receipts	<u>255,827</u>	<u>330,552</u>	<u>306,051</u>	<u>292,106</u>
Disbursements:				
Salaries	141,700	153,900	125,175	134,546
Employee Benefits	28,795	32,185	16,061	17,056
Payroll Taxes	10,840	11,773	9,576	10,293
Rent	26,977	27,438	28,201	26,781
Telephone, Postage and Supplies	7,544	6,936	7,306	8,299
Legal and Professional	24,815	21,135	31,110	18,490
Insurance	777	2,246	2,384	2,692
Equipment and Service Contracts	12,991	12,458	12,494	11,258
Conferences, Meetings and Travel	6,758	8,253	5,778	4,167
Memberships and Subscriptions	1,135	1,286	3,507	1,701
Miscellaneous	5,330	3,853	4,487	2,745
Total disbursements	<u>267,662</u>	<u>281,463</u>	<u>246,079</u>	<u>238,028</u>
Excess of receipts over disbursements	<u>(11,835)</u>	<u>49,089</u>	<u>59,972</u>	<u>54,078</u>
Cash and investments, June 30	<u>\$ 639,671</u>	<u>\$ 688,760</u>	<u>\$ 748,732</u>	<u>\$ 802,810</u>

The accompanying notes are an integral part of the schedules.

INDIANA EDUCATIONAL FACILITIES AUTHORITY
NOTES TO SCHEDULE

Note 1. Introduction

The Indiana Educational Facilities Authority, which was created in 1979 by the Indiana General Assembly, is a body corporate and politic, that assists private nonprofit educational institutions in financing or refinancing eligible facilities, primarily through the issuance of tax-exempt revenue bonds.

Note 2. Fund Accounting

The Authority uses funds to report on its cash and investments and the receipts and disbursements on a cash basis and is presented as a special revenue fund. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A. Basis of Accounting

The accompanying financial schedule was prepared on the basis of cash receipts and disbursements. Operating receipts and disbursements are cash inflows and outflows related to the daily operations of the Authority. Operating receipts are presented by source and operating disbursements are presented by activity on the financial schedule.

B. Application and Administrative Assessment Fees

An application fee of \$1,000 is charged to each facility applying for financial assistance. Beginning in 1999, the fee for new issues is waived for any institution that has previously used the Authority services. There were no application fees for the fiscal years 2002 through 2005. Annual administrative fees are assessed based upon the number of months that funding is available to participating facilities multiplied by an assessment factor determined by the Authority. The assessment factor during the period under audit was 0.0005%, to be paid at the beginning of the subsequent calendar year.

C. Fixed Assets

Fixed Assets are not capitalized but are recorded as expenditures. The capitalization of assets is not considered necessary due to immaterial amounts.

INDIANA EDUCATIONAL FACILITIES AUTHORITY
NOTES TO FINANCIAL SCHEDULE
(Continued)

D. Risk Management

The Indiana Educational Facilities Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees and dependents (excluding post employment benefits); and natural disasters.

Indiana Educational Facilities Authority purchases commercial insurance for risks of loss related to theft of funds and the theft of, damage to, and destruction of authority assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees and dependents (excluding post employment benefits); and natural disasters.

Note 3. Deposits and Investments

Deposits made in accordance with IC 5-13, with financial institutions in the State of Indiana at June 30, 2005, were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

Indiana Code 5-13-9 authorizes the Authority to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds.

Note 4. Employee Retirement Plan

On January 1, 1992, the Authority adopted a defined contribution profit-sharing plan for its full-time employees offered by Northwestern Mutual Life Insurance Company. This plan was deemed acceptable by the Internal Revenue Service under Section 401 of the Internal Revenue Code. Employees are vested immediately upon employment. The Authority contributes ten percent of the employees' gross annual salary. There is no employee contribution. The total payroll of covered full-time employees of the Authority for the years ended June 30, 2002, 2003, 2004, and 2005, was \$84,450 and \$88,900 and \$41,000 and \$42,840 respectively.

INDIANA EDUCATIONAL FACILITIES AUTHORITY
EXAMINATION RESULTS AND COMMENTS
June 30, 2005

FINAL REPORT

The Indiana Educational Facilities Authority was combined with the Indiana Health Facility Financing Authority on May 15, 2005, creating the new Indiana Health and Educational Facility Financing Authority upon enactment of Public Law 235-2005. The Indiana Educational Facilities Authority and the Indiana Health Facility Financing Authority maintained their separate respective financial reporting identities through June 30, 2005. Starting July 1, 2005, the financial reporting identities will also be combined under the identity of the new authority.

NO PARTICIPATION IN THE DEFERRED COMPENSATION PLAN

The Authority, a body corporate and politic did not seek participation in the Indiana Deferred Compensation Plan, called HoosierStart. This resulted in a potential benefit that is allowed by statute not being presented to employees.

The officials of the new entity, Indiana Health and Educational Facility Financing Authority, should consider participation in the Indiana Deferred Compensation Plan.

Per IC 5-10-1.1-1 ". . . The state and any political subdivision (as defined by IC 36-1-2-13) may: (1) agree with any employee to reduce and defer any portion of such employee's compensation which under federal law may be deferred under a nonqualified deferred compensation plan and subsequently contract for, purchase, or otherwise procure insurance and investment products appropriate for a nonqualified deferred compensation plan."

ADDITIONAL PAYROLL

In 2003, the Authority issued a check for \$2,000 to their accountant, an employee of the Authority, in appreciation for her work. Since this payment was outside the usual payroll processing, it was not included in the annual earnings reported to the various taxing authorities. Therefore, annual reports to this employee and the taxing authorities were incorrect for the year ended December 31, 2003.

The officials should ensure that the reporting for the \$2000 is properly corrected and reissued to appropriate parties.

26 CFR 1.6041-1 states: ". . . every person engaged in a trade or business shall make an information return for each calendar year with respect to payments it makes during the calendar year in the course of its trade or business to another person of fixed or determinable income described in paragraph (a)(1)(i)(A)" The paragraph from 26 CFR 1.6041-1 (a)(1)(i)(A) describes these payments as follows: ". . . Salaries, wages, commissions, fees, and other forms of compensation for services rendered aggregating \$600 or more."

INDIANA EDUCATIONAL FACILITIES AUTHORITY
EXAMINATION RESULTS AND COMMENTS

June 30, 2005

(Continued)

ACCOUNTS RECEIVABLE – ASSESSMENTS

The Indiana Educational Facility Authority (IEFA) issued assessments for annual administrative fees to participating entities. We could not locate an accounts receivable record for assessments billed. We consider the tracking of and accounting for assessments to be an important part of the internal controls of the IEFA. An accounts receivable record for assessments billed would help to insure that assessments are collected.

The officials of the new entity, Indiana Health and Educational Facility Financing Authority, should develop an accounts receivable record for assessments billed.

Each agency, department, institution or office should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with the laws and regulations. Safeguarding controls over cash and all other assets and all forms of information processing are part of an internal control system.

NO PARTICIPATION IN THE STATE RETIREMENT PLANS

We found no evidence the authority ever filed an application with Indiana Public Employees' Retirement Fund (PERF) board for participation in the retirement plan. The Indiana Educational Facilities Authority (IEFA) was established in 1979 as a body corporate and politic. This has resulted in employees not being able to participate in a retirement program offered by statute. However, IEFA did provide a 401a life annuity program for employees.

The officials of the new entity, Indiana Health and Educational Facility Financing Authority, should consider participation in PERF.

IC 5-10.3-2-1 states: "... The public employees' retirement fund of Indiana (PERF), referred to as the fund, is established to pay benefits to officers and employees of the state and its political subdivisions ... by providing an orderly way for members to be retired without prejudice and without inflicting hardship on the retired member." IC 5-10.3-7-1 (d) (6) defines "employees of the state" to include employees of any state agency which is a body corporate and politic.

IC 5-10-1.1-7 states: "... (c) This section does not limit the power or authority of any political subdivision to establish and administer other plans deemed appropriate by the governing bodies of such subdivisions, including plans established under section 1 (2) of this chapter."

ANNUAL RETURN - PROFIT SHARING PLAN

The Authority established a life annuity program for its employees in 1992. The program continued without interruption.

We found no evidence the authority filed IRS Form 5500. This resulted in the Authority not being in compliance with IRS reporting regulations.

INDIANA EDUCATIONAL FACILITIES AUTHORITY
EXAMINATION RESULTS AND COMMENTS

June 30, 2005

(Continued)

The officials should file the appropriate form with the IRS for its life annuity program.

26 C.F.R. 301.6058-1 states: " . . . (a) Reporting of information - (1) Annual return. For each funded plan of deferred compensation an annual return must be filed with the Internal Revenue Service. The annual return of the plan is the appropriate Annual Return/Report of Employee Benefit Plan (Form 5500 series) as determined under these forms. The annual period for the annual return of the plan shall be either the plan year or the taxable year of the employer maintaining the plan as determined under these forms."

PERSONAL PROPERTY TAX EXEMPTION

The Authority remitted payment for personal property tax each year to the Marion County Treasurer, even though it should have been exempt from these taxes.. The Authority did not file an Application for Property Tax Exemption for entities engaged in educational, charitable, religious and other similar purposes.

The officials of the new entity, Indiana Health and Educational Facility Financing Authority, should file for exemption from personal property taxes.

IC 6-1.1-11-9 (b) states that no assessment of property tax shall be made for property owned by an agency of the state.

INDIANA EDUCATIONAL FACILITIES AUTHORITY
EXIT CONFERENCE

The contents of this report were discussed on June 28, 2005, with Dr. Louis C. Gatto, former Executive Director of the Indiana Educational Facility Authority; and on September 7, 2005, with Dan Kramer, Executive Director of the Indiana Health and Educational Facility Financing Authority.. The official response has been made a part of this report and may be found on pages 11 and 12.



Indiana Educational Facilities Authority

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September 8, 2005

State Board of Accounts
302 W. Washington St., Room E418
Indianapolis, IN 46204
ATTN: OFFICIAL RESPONSE

Dear Sir/Madam:

The following are responses to the audit of the Indiana Educational Facilities Authority (IEFA) for the period of July 1, 2001 to June 30, 2005.

- A. **ADDITIONAL PAYROLL**
The involved employee has contacted Blue & Co. to prepare an amended W-2 and an IEFA 941 tax return for the \$2,000 bonus she received during the 2003 tax year.
- B. **ACCOUNTS RECEIVABLE - ASSESSMENT**
Our present practice has been to provide information regarding assessments billed and received in the financial reports distributed at each board meeting. Henceforth, we shall comply with the suggestion that such information be also presented in a single accounting format rather than simply in a variety of periodic financial reports.
- C. **NO PARTICIPATION IN THE STATE RETIREMENT PLANS**
Since IEFA is not a state agency but a body corporate and politic, we were unaware that we are eligible to participate in the Public Employees' Retirement Fund of Indiana (PERF). We shall pursue this possibility.
- D. **FORM 5500 FOR THE PROFIT SHARING PLAN NOT COMPLETED DURING AUDIT PERIOD.**
When called, the Financial Representative for Northwestern Mutual indicated that he does not file the Form 5500. It is his understanding that because we are not-for-profit, it is not a mandatory filing.

E. PERSONAL PROPERTY TAX EXEMPTION

Since IEFA is not a 501-C-3, we were unaware that we were eligible for a Property Tax Exemption. However, the Pike Township Assessor is aware of our being an Educational Bonding Authority but has never contacted us regarding this eligibility.

Sincerely,


Robert E. Martin
Assistant Executive Director